



For Immediate Release

May 11, 2011

Contact: David Duran

916-322-1447 or 916-531-7317 (mobile)

Runner Sponsored Pro-Taxpayer Legislation Advances

A key Senate tax panel today voted 9-0 to advance legislation sponsored by Board of Equalization Member George Runner that would empower California's tax agencies to help struggling taxpayers.

Runner testified, "This measure will help California's job creators who are survivors of the worst economic downturn since the Great Depression."

The measure, [Senate Bill 228](#) (Wyland), would permit the Board of Equalization, Franchise Tax Board and State Controller to "withdraw" a lien when a taxpayer pays an outstanding liability in full—removing the lien from the taxpayer's credit record.

Under current law, when a taxpayer falls behind on payments, California's tax agencies may place a lien on that taxpayer's personal property.

Once a taxpayer pays the outstanding liability in full, California tax agencies may "release" the lien. However, the release does not remove the lien from a taxpayer's credit record, and it may remain there for up to 10 years.

The bill's author, Senator Mark Wyland (R-Carlsbad), described the measure as a "pro-consumer, pro- small business bill that conforms state tax law procedures to what the IRS has been doing for some time now."

Since 2001 the IRS has had the authority to withdraw liens in some cases. In February of this year the IRS changed its rules to help struggling taxpayers by withdrawing any fully paid tax lien upon request from the taxpayer, instead of merely releasing it.

Runner said, "This bill will give tax agencies the needed flexibility to deal fairly with taxpayers who are victims of California's economy."

He noted that due to the down economy the Board of Equalization has issued an increasing number of liens – more than 14,000 in the 2009-10 fiscal year. The Board typically releases only about 3,000 liens a year.

The bill received support from the Howard Jarvis Taxpayers Association and the California Tax Reform Association.

Elected in November 2010, Senator George Runner represents more than nine million Californians as a member of the Board of Equalization. For more information, visit www.boe.ca.gov/Runner.

#